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1	RICHARD D. YOUNG, ESQ.					
2	Nevada Bar No. 11331 CASSANDRA S. CUMMINGS, ESQ.					
3	Nevada Bar No. 11944 KOELLER NEBEKER CARLSON & H.	ALUCK, LLP				
4	300 S. Fourth St., Suite 500 Las Vegas, NV 89101					
5	<u>richard.young@knchlaw.com</u> Phone: (702) 853-5500 Fax: (702) 853-5599					
6	Attorneys for Movants DEL WEBB COMMUNITIES, INC, GREYSTONE NEVADA LLC, PN II, INC. dba PULTE HOMES OF NEVADA,					
7						
8	PULTE BUILDING SYSTEMS, PULTE HOME CORPORATION and US HOME CORPORATION					
10						
11	UNITED STAT	ES BANKRUPTCY CO	OURT			
12	DISTRICT OF NEVADA					
13	IN RE:) CASE NO:	09-33776-bam			
14	EXECUTIVE PLASTERING, INC.) CHAPTER) MOTION FO	7 OR RELIEF FROM STAY			
15	Debtor.)				
16) Hearing Date) Hearing Tim				
17	COME NOW DEL WEBB C	OMMUNITIES INC. (harainaftar "DEL WEDD"			
18		·	,			
19	GREYSTONE NEVADA LLC (hereinafter "GREYSTONE"), PN II, INC. dba PULTE HOMES OF NEVADA (hereinafter "PULTE"), PULTE BUILDING SYSTEMS (hereinafter "PBC"), PULTE HOME CORPORATION (hereinafter "PHC") and US HOME					
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21	CORPORATION (hereinafter "US HOME"), (also collectively referred to as "Movants") by and through their attorneys, KOELLER, NEBEKER, CARLSON & HALUCK, LLP, and respectfully move this Honorable Court for an Order lifting the automatic bankruptcy stay					
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23						
24	pursuant to 11 U.S.C. § 362(d). Movant	pursuant to 11 U.S.C. § 362(d). Movants seek relief from the automatic stay so that they may				
25	proceed only against the available in	surance assets of debto	r Executive Plastering, Inc.			
26	(hereinafter "Debtor"). If the requested r	relief is granted, Movants	would waive any claims they			
27 28	have against the subject bankruptcy estate	e.				
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ase 09-33776-btb Doc 448 Entered 05/02/12 14:51:27 Page 2 of 16 This Motion is based upon the attached Memorandum of Points and Authorities, the 1 pleadings and papers on file and such other and further evidence as may be offered at the time 2 of the hearing of this Motion. 3 DATED this 2nd day of May, 2012. 4 KOELLER NEBEKER CARLSON & 5 HALUCK, LLP 6 BY: 7 RICHARD D. YOUNG, ESQ. Nevada Bar No. 11331 8 CASSANDRA S. CUMMINGS, ESO. Nevada Bar No. 11944 9 300 S. Fourth St., Suite 500 Las Vegas, NV 89101 10 Attorneys for Movants DEL WEBB COMMUNITIES, INC, 11 GREYSTONE NEVADA LLC. PN II. INC. dba PULTE HOMES OF 12 NEVADA, PULTE BUILDING SYSTEMS, PULTE HOME 13 CORPORATION and US HOME **CORPORATION** 14 15 MEMORANDUM OF POINTS AND AUTHORITIES I. **STATEMENT OF FACTS** 16 On or about September 28, 2009, Debtor filed a voluntary petition for relief under 17 Chapter 7 of the United States Bankruptcy Code, Case No. 09-33776-bam. Due to the Petition 19 for Bankruptcy, there is an automatic stay in place. Movants are creditors of Debtor and therefore qualify as parties in interest in this case. Movants seek to proceed against available 20 insurance assets only of Debtor in the following construction defect matters. Movants do not 21 seek to proceed against any assets of the bankruptcy estate. 22 A. MATTERS 23 24 i. Minor, et al. v. PN II, Inc. dba Pulte Homes of Nevada and Pulte Home Corporation, Clark County District Case No. A625664 25

This action arises from Notices of Construction Defects served on Pulte and PHC pursuant to NRS 40.645 alleging construction deficiencies with respect to one hundred thirtyone (131) residences in the Stallion Mountain Community in Las Vegas, Nevada. Plaintiffs

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filed their Complaint in this matter on September 20, 2010. Pulte and PHC moved to dismiss Plaintiffs' Complaint for failure to comply with the requirements of NRS 40.600, *et seq.* (hereinafter "Chapter 40") and moved to strike Plaintiffs' class allegations. The class allegations were stricken and the matter was stayed to complete the Chapter 40 process. Plaintiffs filed the operative Third Amended Complaint on October 11, 2011. The Chapter 40 Notices and operative Complaint received by Pulte and PHC implicate the work of Debtor. Therefore, the participation of Debtor is imperative to the disposition of this case. Pulte and PHC intend to proceed against Debtor's insurance only. Relief from the automatic stay is necessary to proceed in this matter.

ii. Jacobs Family Trust v. PN II, Inc. dba Pulte Homes of Nevada, Clark County District Court Case No. A657908

This action arises from a Notice of Construction Defect served on Pulte pursuant to NRS 40.645 alleging construction defects within a single family home in the Sun City Aliante Community in North Las Vegas, Nevada. Plaintiff filed its Complaint in this matter on January 18, 2012. Pulte filed an Answer to the Complaint and a Third-Party Complaint. The Chapter 40 Notice and operative Complaint received by Pulte implicate the work of Debtor. Therefore, the participation of Debtor is imperative to the disposition of this case. Pulte intends to proceed against Debtor's insurance only. Relief from the automatic stay is necessary to proceed in this matter.

iii. Tugwell, et al. v. Greystone Nevada LLC and US Home Corporation, Clark County District Court Case No. A657908

This action arises from allegations of construction defects at twenty-seven (27) residences in the Hometown West 2 development in Las Vegas, Nevada. Plaintiffs filed their Complaint on March 8, 2012 naming Greystone and US Home as Defendants. The operative Complaint received by Greystone and US Home implicates the work of Debtor. Therefore, the participation of Debtor is imperative to the disposition of this case. Greystone and US Home intend to proceed against Debtor's insurance only. Relief from the automatic stay is necessary to proceed in this matter.

iv. Howard & Sharon Dameron v. Del Webb Communities, Inc., Pulte Building Systems, LLC, and PN II, Inc. dba Pulte Homes of Nevada

A Notice of Chapter 40 Defects was received by Del Webb Communities, Inc., Pulte Building Systems, LLC and PN II, Inc. dba Pulte Homes of Nevada (hereinafter collectively "Del Webb/Pulte") on or around November 29, 2011 in regards to allegations of construction defects at the claimants' home located at 2755 White Sage Drive, Henderson, Nevada. Chapter 40 pre-litigation mediation is scheduled for May 1, 2012. The Chapter 40 Notices received by Del Webb/Pulte implicate the work of Debtor. Therefore, the participation of Debtor is imperative to the disposition of this case. Del Webb/Pulte intend to proceed against Debtor's insurance only. Relief from the automatic stay is necessary to proceed in this matter.

v. Harris, et al. v. US Home Corporation

This case is currently in the NRS Chapter 40 pre-litigation process. Notices of Construction Defects pursuant to NRS 40.645 have been served on US Home for twenty-two (22) residences in the Copperfield/Laurelwood Community in Las Vegas, Nevada. Chapter 40 pre-litigation mediation has not yet occurred. The Chapter 40 Notices received by US Home implicate the work of Debtor. Therefore, the participation of Debtor is imperative to the disposition of this case. US Home intends to proceed against Debtor's insurance only. Relief from the automatic stay is necessary to proceed in this matter.

B. DEBTOR'S CONTRACTUAL DUTIES TO INSURE, DEFEND AND INDEMNIFY

Movants' claims against Debtor in the above matters stem from subcontracts entered into between Movants and Debtor whereby Debtor agreed to provide materials and labor at the various developments. Pursuant to those subcontracts, Debtor agreed to obtain general liability insurance. The subcontracts also provide that Debtor was to name Movants as additional-insured on its general liability policies. Pursuant to the subcontracts, Debtor has agreed to defend and indemnify Movants for all claims directly or indirectly caused by Debtor's negligent or intentional act or omission in Debtor's performance of the work described in the subcontracts between Debtor and Movants.

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In seeking relief from the automatic stay, Movants seek to pursue their claims against Debtor and recover only from the proceeds of Debtor's policies of commercial general liability insurance. In the event that such policies are exhausted, Movants would not seek to recover from Debtor directly, or from assets of the bankruptcy estate. Movants' recovery against Debtor would be limited to the available coverage under those policies, and Movants would waive their right to seek recovery from this Court for any further unsecured claim or deficiency judgment resulting from the matters described above. Movants would waive any claims against Debtor and the estate following liquidation and closure of Debtor's bankruptcy case. Movants would also waive their claims, if any, to any deductible or payment of any self-insured retention under the applicable policies.

II. RELIEF REQUESTED

A. Legal Standard Under 11 U.S.C. §362(d)(1)

Movants seek relief from the automatic stay in order to proceed with their claims against Debtor in the above matter. Lifting the stay will allow the Debtor to participate in these matters, and permit the District Courts to bring resolution to that case as efficiently as possible.

Section 362(d)(1) of the Bankruptcy Code provides:

- (d) On request of a party in interest after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay -
 - (1) for cause, including the lack of adequate protection of an interest in property of such party in interest...

11 U.S.C. § 362(d) (emphasis added). "The burden of proof on a motion to modify the automatic stay is a shifting one" as the party seeking relief must establish a prima facie case that there exists cause for relief under 11 U.S.C. § 362(d)(1). In re Smith, 389 B.R. 902, 918 (Bkrtcy.D.Nev.2008); In re Duvar Apt., Inc., 205 B.R. 196, 200 (9th Cir. BAP 1996). Once the moving party has established a prima facie case, the burden shifts to the debtor to show that relief from the stay is unwarranted. 11 U.S.C. §362 (g)(2); In re Sonnax, 907 F.2d 1280, 1285 (2nd Cir.1990); In re Duvar Apt., 205 B.R. at 200.

Section 541(a) of the Code states that the debtor's bankruptcy estate is comprised of property in which the debtor has a legal or equitable interest. 11 U.S.C. §541(a)(1). Where

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there exists a bona fide dispute as to whether property is part of the bankruptcy estate, the burden is on the creditor to seek a determination from the bankruptcy court as to whether or not such property is subject to the automatic stay. *In re Petit*, 217 F.3d 1072, 1075 (9th Cir. 2000.) If it can be shown that the debtor does not have equity in property claimed to be part of the estate, the bankruptcy court may lift the automatic stay. *In re Collins*, 199 B.R. 561, (Bankr W.D.Pa. 1996); 11 U.S.C. §362(d)(2)(A).

Section 524(a) of the Bankruptcy Code explicitly renders judgments void for "...the personal liability of the debtor..." 11 U.S.C. §524(a)(1). "Accordingly, the statutory language on its face, does not preclude the determination of the debtor's liability upon which the damages would be owned to another party, such as the debtor's liability insurance." *In re Jet Florida Systems, Inc.*, 883 F.2d 970, 973 (11th Cir. 1989).

The provisions of 524(a) apply only with respect to the personal liability of the debtor. When it is necessary to commence or continue suit against a debtor in order, for example, to establish liability of another, perhaps a surety, such suit would not be barred. Section 524(e) was intended for the benefit of the debtor but was not meant to affect the liability of third parties or to prevent establishing such liability through whatever means required.

Id., (Internal citation omitted.) Accordingly, the Code does not seek to shield third parties, such as debtor's insurers, from liability. *Id.*

III. ARGUMENT

A. There is Just Cause for Granting Movants' Relief from the Stay.

There are twelve non-exclusive factors that should be weighed in determining whether to lift an automatic stay to permit pending litigation in another forum. *In re Smith*, 389 B.R. 902, 918-919 (Bkrtcy. D. Nev. 2008). Those factors, and Movants' analysis of each, are as follows:

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1	(1) Whether the relief would result in a partial or complete resolution of the issues (Id.)			
2				
3	If Movants are granted relief from stay for the purposes of establishing Debtor's			
4	liability in the above matters, they will be able to resolve all their claims for indemnification			
5	and contribution against Debtor in said matters.			
6	(2) The lack of any connection with or interference with the bankruptcy case (Id.)			
7 8	There is no connection between the above matters and Debtor's bankruptcy case, not			
9	will the pursuit of the Debtor in these matters interfere with the bankruptcy case.			
10	(3) Whether the other proceeding involves the debtor as a fiduciary (Id.)			
11	The Debtor is not a fiduciary in the above matters.			
12	(4) Whether a specialized tribunal with the necessary expertise has been established to hear the cause of action (Id.)			
13				
14	A specialized tribunal is not required to hear the above matters. These matters are			
15	underway in Departments 16, 19 and 22 of Clark County District Court. These are the three			
16	departments which hear construction defect matters, and have established policies and			
17	protocols for doing so.			
18	(5) Whether the debtor's insurer has assumed full responsibility for			
19	defending it (Id.)			
20	Debtor's insurance carriers are currently investigating the claims and have not yet			
21	assumed full responsibility for the defense of Debtor in the above matters.			
22	(6) Whether the action primarily involves third parties and the debtor functions only as a bailee or conduit for the goods or proceeds in question (Id.)			
23	The above matters involve subcontractors, such as the Debtor, who obtained insurance			
24				
25	policies which name Movants as additional insureds. Accordingly, the Debtor, as an insured,			
26	would function only as a conduit for the insurance proceeds from those policies. Movants			
27	would not pursue Debtor personally or assets of its bankruptcy estate.			
28	(7) Whether litigation in another forum would prejudice the interest of the other creditors or other interested parties (Id.)			

insurer." In re Mann, 58 B.R. 953, 958 (Bankr. W.D.Va. 1986).

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in order to establish the debtor's liability when that was a prerequisite to recovery from the

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The determination of Debtor's liability in the above matters will not prejudice Debtor, as its property is not subject to risk. In re Jet Florida Systems, Inc., 883 F.2d 970, 974 (11th Cir. 1989). The pursuit of these lawsuits will only affect the assets and liability of Debtor's implicated insurers, and will not affect the Debtor personally. In re White, 73 B.R. 983, 985 (Bankr.D. Col. 1987).

There is cause to grant relief from the stay to allow Movants to pursue Debtor's insurance proceeds in the above cases. Should relief be granted, Movants will proceed with their actions against Debtor and its insurance carriers.

Movants will not seek to enforce any judgment against Debtor or the Debtor's bankruptcy estate. Debtor's insurance carriers are not protected by the Bankruptcy Code. Furthermore, 11 U.S.C. § 524 does not act to shield third parties such as insurers, who are subject to liability on behalf of the debtor. In re Jet Florida Systems, Inc., 883 F.2d 970, 974 (11th Cir. 1989). Accordingly, the Court should grant Movants relief from the automatic stay and permit Movants to pursue its claims against Debtor.

IV. CONCLUSION

Movants respectfully request this Court grant them relief from the automatic stay so that they may pursue their claims against Debtor for the limited purpose of establishing Debtor's liability in the above-discussed matters.

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This relief will not affect the Debtor or the bankruptcy estate directly, and Movants will only seek recovery through Debtor's general liability policies of insurance which are not part of the bankruptcy estate, from Debtor's insurers, who are not protected by the Code. Movants will waive any claims they have against the subject bankruptcy estate. DATED this 2nd day of May, 2012. KOELLER NEBEKER CARLSON & HALUCK, LLP

O
RICHARD D. YOUNG, ESQ.
Nevada Bar No. 11331
CASSANDRA S. CUMMINGS, ESQ.
Nevada Bar No. 11944
300 S. Fourth St., Suite 500
Las Vegas, NV 89101
Attorneys for Movants
DEL WEBB COMMUNITIES, INC,
GREYSTONE NEVADA LLC, PN II,
INC. dba PULTE HOMES OF
NEVADA, PULTE BUILDING
SYSTEMS, PULTE HOME
CORPORATION and US HOME

CORPORATION

4	CERTIFICATE OF SER				
1					
2	I hereby certify, under penalty of perjury	I hereby certify, under penalty of perjury, that I am an employee of KOELLER,			
3	3 NEBEKER, CARLSON & HALUCK, LLP and cau	sed to be electronically filed on this 2 nd day			
4	4 of May, 2012 a true and correct copy of MOTION I	of May, 2012 a true and correct copy of MOTION FOR RELIEF FROM STAY with the Clerk			
5	of the Court using the CM/ECF system, which will automatically e-serve the same on the				
6	6 attorneys of record.				
7	7 I hereby also certify that I served a copy of	MOTION FOR RELIEF FROM STAY on			
8	8 said 2 nd day of May, 2012, by depositing a copy of s	said 2 nd day of May, 2012, by depositing a copy of same in the United States Mail, in a postage			
9	9 prepaid envelope, addressed to:				
10		APTER 13 TRUSTEE:			
11	11 c/o Leonard T. Fink, Esq. 300	. Trustee – LV-13 Las Vegas Boulevard South, Suite 4300			
12	12 10655 Park Run Drive, #275	Vegas, NV 89101			
13					
14		<u>JSTEE</u> liam A. Leonard			
15	Las Vegas Satellite Office 662	5 S. Valley View, #224 Vegas, NV 89118			
16	Las Vegas, NV 89101	, v o gus, 1 (v o o o o o o o o o o o o o o o o o o			
17	ATTORNEY FOR DEBTOR: AT	ORNEY FOR TRUSTEE			
	Hanes & Krieger, LLC Dur	othy S. Cory, Esq. ham, Jones & Pinegar, P.C.			
	Las Vegas, NV 89101 Las	85 W. Twain, Suite 200 Vegas, NV 89135			
19	V 00	. 0			
20	Employ	L Attuan ee of KOELLER, NEBEKER CARLSON			
21	& HAL	JCK, LLP			
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EXHIBIT "A"

* * § 362 INFORMATION COVER SHEET * *

Executive Plastering, Inc.	09-33776				
DEBTOR	Case No:	MOTION #:			
Del Webb Communities, Inc., G	CHAPTER: 7				
MOVANT					
Certification of Attempt to R	esolve the Matter Withou	ut Court Action:			
Moving counsel hereby certifies that pursuar	•	· · · · · · · · · · · · · · · · · · ·			
been made to resolve the matter without cou					
Date: May 2, 2012 Signature: Cassandra S. Cummings, Inc.					
	Attorne	ey for Movant			
PROPERTY INIVIOLVED IN THIS MOTION IN	urance proceeds				
PROPERTY INVOLVED IN THIS MOTION: Ins					
DATE OF SERVICE: May 2, 2012	, Debtor's Courisei L.	; rrustee;			
MOVING PARTY'S CONTENTIONS:	DERTO	R'S CONTENTIONS:			
The EXTENT and PRIORITY of LIENS:		nd PRIORITY of LIENS:			
THE EXTENT AND FRIORITY OF LIENS.	THE EXTENT A	IN PRIORITY OF LIENS:			
1 _{st} n/a	1 _{ct} n/a				
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3rd 4th					
Othori					
Total Encumbrances:					
Total Eliculibratices.	Total Elicumbia	ances:			
APPRAISAL of OPINION as to VALUE:	APPRAISAL of	OPINION as to VALUE:			
TERMS of MOVANT'S CONTRACT with the DEBTOR(S)::		S OFFER of "ADEQUATE			
		•			
Amount of Note: n/a	.				
Interest Rate:					
Duration:					
Payment per Month:					
Date of Default:					
Amount in Arrears:	,				
Date of Notice of Default:	,				
SPECIAL CIRCUMSTANCES:	SPECIAL CIRC	UMSTANCES:			
SUBMITTED BY:	SUBMITTED B	Y:			

EXHIBIT "B"

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1	Nevada, and Harris, et al. v. US Home Corporation, solely for the limited purpose of
2	liquidating third-party construction defect claims against the Debtor and pursuing satisfaction
3	or settlement of those claims out of liability insurance proceeds held by Debtor's liability
4	insurers.
5	IT IS FURTHER ORDERED that Movants are directed not to seek to enforce any
6	judgment or claim against the Debtor's bankruptcy estate except through and with the
7	permission of the Bankruptcy Court.
8	IT IS SO ORDERED.
9	Respectfully Submitted on this day of May, 2012.
10	KOELLER NEBEKER CARLSON & HALUCK, LLP
11	
12	RICHARD D. YOUNG, ESQ.
13	Nevada Bar No. 11331 CASSANDRA S. CUMMINGS, ESQ.
14	Nevada Bar No. 11944 300 S. Fourth St., Suite 500
15	Las Vegas, NV 89101 Attorneys for Movants
16	DEL WEBB COMMUNITIES, INC, GREYSTONE NEVADA LLC, PN II, INC.
17	dba PULTE HOMES OF NEVADA, PULTE BUILDING SYSTEMS, PULTE HOME CORPORATION and US HOME
18	CORPORATION and US HOME CORPORATION
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